

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

December 9, 2011

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 08od-156

OAHU

Issuance of Revocable Permit to Honolulu Seawater Air Conditioning, LLC, Sand Island,
Honolulu, Oahu, Tax Map Key: (1) 1-5-041:seaward of 006

APPLICANT:

Honolulu Seawater Air Conditioning, LLC, a domestic limited liability company

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Sand Island, Honolulu, Oahu, identified by Tax
Map Key: (1) 1-5-041:seaward of 006, as shown on the attached map and aerial photo
labeled Exhibit A1 & A2 repectively.

AREA:

50.000 acres, more or less.

ZONING:

State Land Use District: Conservation

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CURRENT USE STATUS:

Vacant and unencumbered.

CHARACTER OF USE:

Staging Area Purposes.

COMMENCEMENT DATE:

August 1, 2012.

MONTHLY RENTAL:

To be determined by independent appraiser, subject to review and approval by the Chairperson.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

The Final Environmental Impact Statement was published in the OEQC's Environmental Notice on September 23, 2009.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u> x </u>	NO <u> </u>
Registered business name confirmed:	YES <u> x </u>	NO <u> </u>
Applicant in good standing confirmed:	YES <u> x </u>	NO <u> </u>

REMARKS:

On June 23, 2011, the Board approved the issuance of a Conservation District Use Permit No. OA-3579 for the Honolulu seawater air conditioning project. The approval covers the temporary use of the subject area (Channel D) under this request. A copy of the CDUA approval letter is attached as Exhibit B.

On August 26, 2011, item D-8, the Board authorized the issuance of a perpetual, non-exclusive easement for seawater air conditioning pipeline purposes. Staff is working with the applicant on the easement document.

Applicant has obtained a Special Use Permit from the Division of State Parks over a portion of the adjacent Sand Island State Recreation Area for the construction of the pipelines. When segments of the pipelines are completed, they would be stored in the water pending completion of all segments. Applicant requests a revocable permit over

Channel D for staging the segments of pipelines.

The anticipated duration of the permit is from August 2012 to March 2013, a total of eight (8) months. For financing purposes, the applicant requests the revocable permit for the subject area now.

The subject area was covered in the Final Environmental Impact Statement, and comments from other agencies have been addressed and responded accordingly.

Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

There are no other pertinent issues or concerns. Staff has no objection to the request.

RECOMMENDATION: That the Board authorize the issuance of a revocable permit to Honolulu Seawater Air Conditioning, LLC covering the subject area for staging area purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:

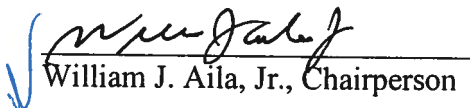
- a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
- b. Conditions of Conservation District Use Permit (OA-3579) as provided in Exhibit B;
- c. Review and approval by the Department of the Attorney General; and
- d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

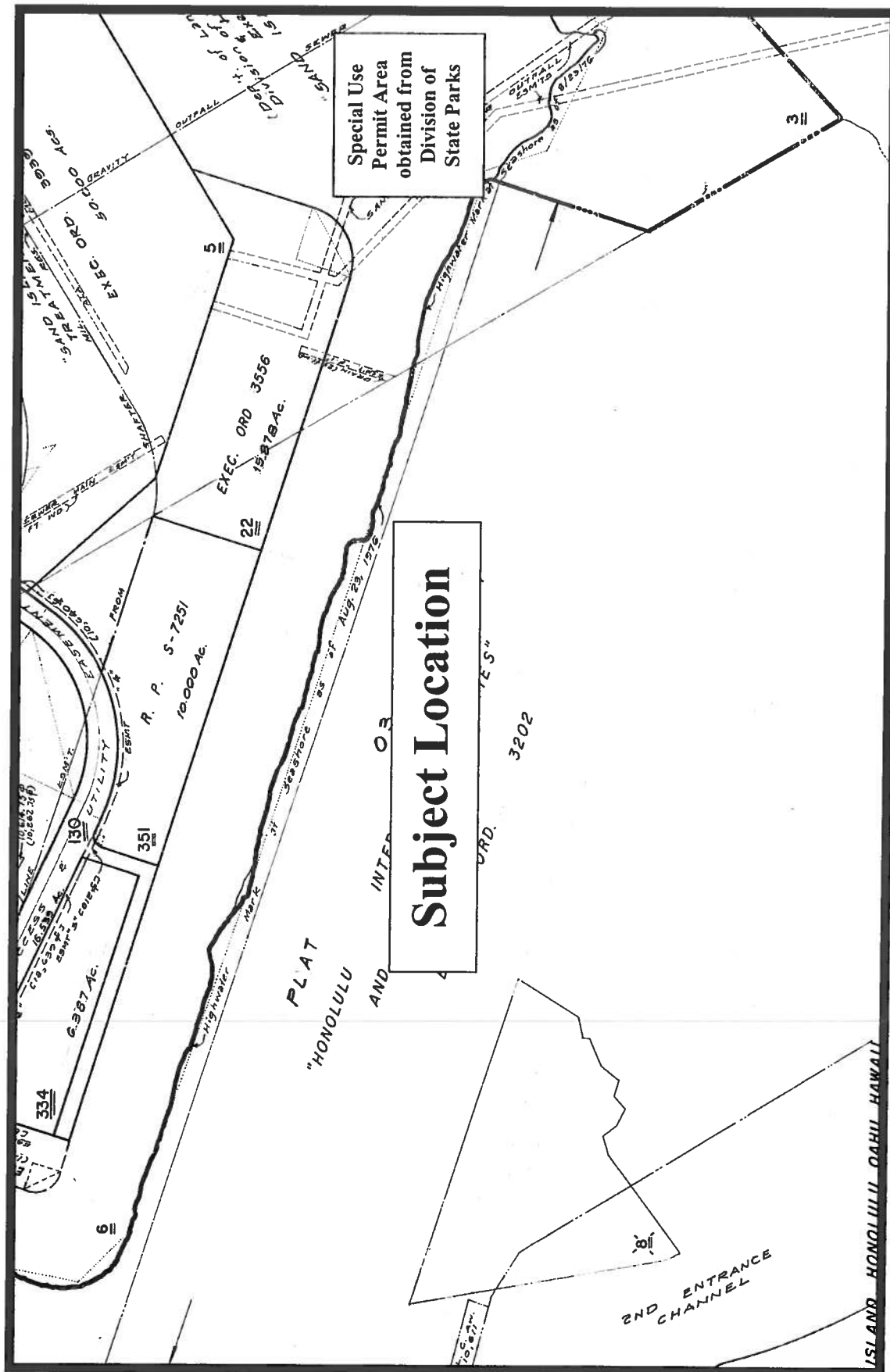


Barry Cheung
District Land Agent

APPROVED FOR SUBMITTAL:



William J. Aila, Jr., Chairperson



TMK (1) 1-5-041:seaward of 006



SUBJECT
LOCATION

Sand Island Channel D- Boundaries of Proposed Nearshore Keehi Lagoon Staging Area

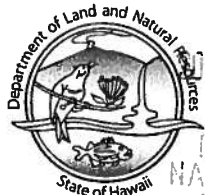


SPECIAL
USE
PERMIT
DIVISION
OF STATE
PARKS

0800-64

NEIL ABERCROMBIE
GOVERNOR OF HAWAII

RECEIVED
LAND DIVISION



WILLIAM I. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAOHOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

JUN 27 P 3:10

DEPT. OF LAND &
NATURAL RESOURCES
STATE OF HAWAII

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
OFFICE OF CONSERVATION AND COASTAL LANDS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

REF:OCCL:TM

CDUP: OA-3579

George Krasnick
TEC Inc.
1003 Bishop Street
Pauahi Tower, Suite 1550
Honolulu, HI 96814

JUN 27 2011

SUBJECT: Conservation District Use Permit (CDUP) OA-3579 for the Honolulu Seawater Air Conditioning Project

Dear Mr. Krasnick:

This is to inform you that on June 23, 2011, the Board the Board of Land and Natural Resources approved your client, Honolulu Seawater Air Conditioning, LLC's Conservation District Use Application OA-3579 for the Honolulu Sea Water Air Conditioning Project located upon submerged land, makai of Kakaako Waterfront Park, offshore of plat (1) 2-1-060 and temporary use of Channel D of Keehi Lagoon, island of Oahu subject to the following conditions:

1. The applicant shall comply with all applicable statutes, ordinances, rules, regulations, and conditions of the Federal, State, and County governments, and applicable parts of the Hawaii Administrative Rules, Chapter 13-5;
2. The applicant, its successors and assigns, shall indemnify and hold the State of Hawaii harmless from and against any loss, liability, claim or demand for property damage, personal injury or death arising out of any act or omission of the applicant, its successors, assigns, officers, employees, contractors and agents under this permit or relating to or connected with the granting of this permit;
3. The applicant shall obtain appropriate authorization from the Department for the occupancy of State lands;
4. The applicant shall consult with the Division of Aquatic Resources in regards to a determination for a Special Activity Permit;
5. The applicant shall coordinate with the Department of Transportation's Oahu District Office due to the proximity of the project to Honolulu Harbor to avoid conflicts with maritime operations during construction of this project;

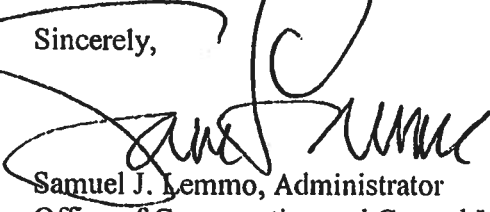
EXHIBIT "B"

6. The applicant shall coordinate with the Division of Boating and Ocean Recreation at Keehi Lagoon and the Coast Guard relative to maintaining safe navigation during construction activities and operations;
7. The applicant shall comply with all applicable Department of Health administrative rules;
8. Before proceeding with any work authorized by the Board, the applicant shall submit four (4) copies of the construction and grading plans and specifications to the Chairperson or his authorized representative for approval for consistency with the conditions of the permit and the declarations set forth in the permit application. Three (3) of the copies will be returned to the applicant. Plan approval by the Chairperson does not constitute approval required from other agencies;
9. Any work done or construction to be done on the land shall be initiated within three years of the approval of such use, in accordance with construction plans that have been signed by the Chairperson, and, unless otherwise authorized, shall be completed within five years of the approval. The applicant shall notify the Department in writing when construction activity is initiated and when it is completed;
10. All mitigation measures set forth in the application materials, in the final environmental impact statement, and all required permits within the conservation District for this project are hereby incorporated as conditions of this permit;
11. The Applicant shall provide public notification to inform the public of the project;
12. The applicant understands and agrees that this permit does not convey any vested rights or exclusive privilege;
13. In issuing this permit, the Department and Board have relied on the information and data that the applicant has provided in connection with this permit application. If, subsequent to the issuance of this permit, such information and data prove to be false, incomplete or inaccurate, this permit may be modified, suspended or revoked, in whole or in part, and/or the Department may, in addition, institute appropriate legal proceedings;
14. Where any interference, nuisance, or harm may be caused, or hazard established by the use, the applicant shall be required to take the measures to minimize or eliminate the interference, nuisance, harm, or hazard;
15. Should historic remains such as artifacts, burials or concentration of charcoal be encountered during construction activities, work shall cease immediately in the vicinity of the find, and the find shall be protected from further damage. The contractor shall immediately contact HPD (692-8015), which will assess the significance of the find and recommend an appropriate mitigation measure, if necessary;
16. The applicant shall insure access to Mokauea Island to those individuals that have a vested interest related to the island;

17. Other terms and conditions as may be prescribed by the Chairperson; and
18. Failure to comply with any of these conditions shall render this Conservation District Use Permit null and void.

Please acknowledge receipt of this approval, with the above noted conditions, in the space provided below. Please sign two copies. Retain one and return the other within thirty (30) days. Should you have any questions on any of these conditions, contact Tiger Mills at (808) 587-0382.

Sincerely,


Samuel J. Lemmo, Administrator
Office of Conservation and Coastal Lands

Receipt acknowledged:


Applicant's Signature

Date 6/29/11

c: Chairperson
ODLO/DAR/DOBOR/SP
DOT-Harbors/Coast Guard/DOA
City & County of Honolulu, DPP